

Contingency management (lower-cost) for marijuana use

Benefit-cost estimates updated June 2016. Literature review updated May 2014.

Current estimates replace old estimates. Numbers will change over time as a result of model inputs and monetization methods.

The WSIPP benefit-cost analysis examines, on an apples-to-apples basis, the monetary value of programs or policies to determine whether the benefits from the program exceed its costs. WSIPP's research approach to identifying evidence-based programs and policies has three main steps. First, we determine "what works" (and what does not work) to improve outcomes using a statistical technique called meta-analysis. Second, we calculate whether the benefits of a program exceed its costs. Third, we estimate the risk of investing in a program by testing the sensitivity of our results. For more detail on our methods, see our [Technical Documentation](#).

Program Description: Contingency management is a supplement to counseling treatment that rewards participants for attending treatment and/or abstaining from substance use. The intervention reviewed here focused on those with marijuana abuse or dependence where contingencies were provided for remaining abstinent. Two methods of contingency management were reviewed: (1) A voucher system where abstinence earned vouchers that were exchangeable for goods provided by the clinic or counseling center, and (2) a prize or raffle system where clients who remained abstinent could earn the opportunity to draw from a prize bowl. Higher-cost contingency management was determined by maximum voucher or maximum expected value of prizes possible. Based on a statistical analysis of contingency management studies, we determined that programs with a maximum value of vouchers or prizes less than or equal to \$500 (in 2012 dollars) represent lower-cost contingency management. Treatment lasted two to three months and reward opportunities occurred two to three times per week.

Benefit-Cost Summary Statistics Per Participant

Benefits to:

Taxpayers	\$136	Benefit to cost ratio	\$1.25
Participants	\$286	Benefits minus costs	\$62
Others	\$8	Chance the program will produce	
Indirect	(\$120)	benefits greater than the costs	51 %
<u>Total benefits</u>	<u>\$310</u>		
<u>Net program cost</u>	<u>(\$248)</u>		
Benefits minus cost	\$62		

The estimates shown are present value, life cycle benefits and costs. All dollars are expressed in the base year chosen for this analysis (2015). The chance the benefits exceed the costs are derived from a Monte Carlo risk analysis. The details on this, as well as the economic discount rates and other relevant parameters are described in our [Technical Documentation](#).

Detailed Monetary Benefit Estimates Per Participant

Benefits from changes to: ¹	Benefits to:				
	Participants	Taxpayers	Others ²	Indirect ³	Total
Labor market earnings associated with cannabis abuse or dependence	\$284	\$129	\$0	\$0	\$413
Health care associated with cannabis abuse or dependence	\$2	\$7	\$8	\$3	\$20
Adjustment for deadweight cost of program	\$0	\$0	\$0	(\$124)	(\$124)
Totals	\$286	\$136	\$8	(\$120)	\$310

¹In addition to the outcomes measured in the meta-analysis table, WSIPP measures benefits and costs estimated from other outcomes associated with those reported in the evaluation literature. For example, empirical research demonstrates that high school graduation leads to reduced crime. These associated measures provide a more complete picture of the detailed costs and benefits of the program.

²"Others" includes benefits to people other than taxpayers and participants. Depending on the program, it could include reductions in crime victimization, the economic benefits from a more educated workforce, and the benefits from employer-paid health insurance.

³"Indirect benefits" includes estimates of the net changes in the value of a statistical life and net changes in the deadweight costs of taxation.

Detailed Annual Cost Estimates Per Participant

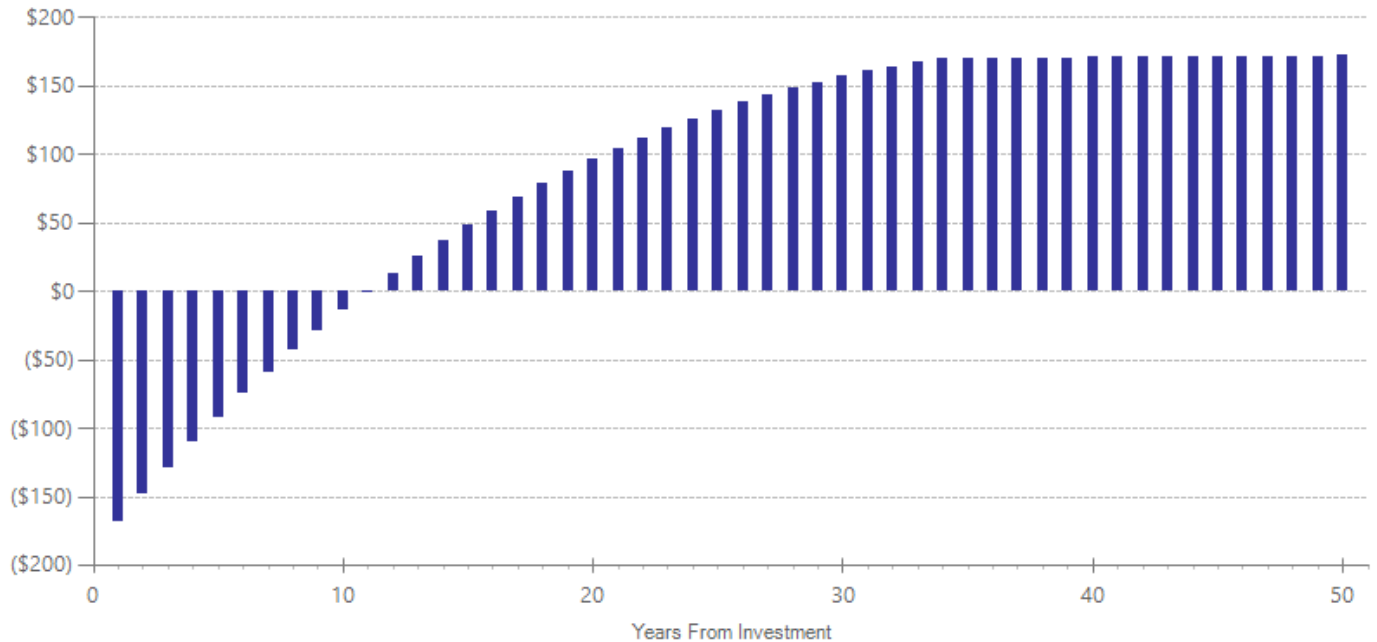
	Annual cost	Year dollars	Summary	
Program costs	\$240	2012	Present value of net program costs (in 2015 dollars)	(\$248)
Comparison costs	\$0	2012	Cost range (+ or -)	40 %

Contingency management is typically provided for less than a year. We calculated the weighted average of the variable per-participant treatment and comparison group costs across studies estimating the cost-effectiveness of an incentive program with an average cost of less than \$500 in 2012 (Sindelar, Olmstead, & Peirce, 2007; Sindelar, Elbel, & Petry, 2006; Hartz et al., 1999). Costs of administering the incentive program include staff costs to inventory, shop for, and restock prizes; material cost of items; counseling session costs; and toxicology screens. All staff costs include salary, benefits, and overhead. All costs are calculated from the clinic perspective. Note that because treatment group participants have higher retention rates than the control group, costs also reflect the increased number of counseling sessions attended and urinalysis tests performed for the treated group.

Hartz, D.T., Meek, P., Piotrowski, N.A., Tusel, D. J., Henke, C.J., Delucchi, K., Sees, K., Hall, S.M. (1999). A cost-effectiveness and cost-benefit analysis of contingency contracting-enhanced methadone detoxification treatment. *The American Journal of Drug and Alcohol Abuse*, 25(2), 207-218. Sindelar, J., Elbel, B., & Petry, N.M. (2007). What do we get for our money? Cost-effectiveness of adding contingency management. *Addiction*, 102(2), 309-316. Sindelar, J.L., Olmstead, T.A., & Peirce, J.M. (2007). Cost-effectiveness of prize-based contingency management in methadone maintenance treatment programs. *Addiction*, 102(9), 1463-1471.

The figures shown are estimates of the costs to implement programs in Washington. The comparison group costs reflect either no treatment or treatment as usual, depending on how effect sizes were calculated in the meta-analysis. The cost range reported above reflects potential variation or uncertainty in the cost estimate; more detail can be found in our [Technical Documentation](#).

Detailed Annual Cost Estimates Per Participant



The graph above illustrates the estimated cumulative net benefits per-participant for the first fifty years beyond the initial investment in the program. We present these cash flows in non-discounted dollars to simplify the “break-even” point from a budgeting perspective. If the dollars are negative (bars below \$0 line), the cumulative benefits do not outweigh the cost of the program up to that point in time. The program breaks even when the dollars reach \$0. At this point, the total benefits to participants, taxpayers, and others, are equal to the cost of the program. If the dollars are above \$0, the benefits of the program exceed the initial investment.

Meta-Analysis of Program Effects

Outcomes measured	No. of effect sizes	Treatment N	Adjusted effect sizes and standard errors used in the benefit-cost analysis						Unadjusted effect size (random effects model)	
			First time ES is estimated			Second time ES is estimated				
			ES	SE	Age	ES	SE	Age	ES	p-value
Cannabis abuse or dependence	3	149	-0.086	0.191	32	-0.007	0.259	33	-0.086	0.673

Meta-analysis is a statistical method to combine the results from separate studies on a program, policy, or topic in order to estimate its effect on an outcome. WSIPP systematically evaluates all credible evaluations we can locate on each topic. The outcomes measured are the types of program impacts that were measured in the research literature (for example, crime or educational attainment). Treatment N represents the total number of individuals or units in the treatment group across the included studies.

An effect size (ES) is a standard metric that summarizes the degree to which a program or policy affects a measured outcome. If the effect size is positive, the outcome increases. If the effect size is negative, the outcome decreases.

Adjusted effect sizes are used to calculate the benefits from our benefit cost model. WSIPP may adjust effect sizes based on methodological characteristics of the study. For example, we may adjust effect sizes when a study has a weak research design or when the program developer is involved in the research. The magnitude of these adjustments varies depending on the topic area.

WSIPP may also adjust the second ES measurement. Research shows the magnitude of some effect sizes decrease over time. For those effect sizes, we estimate outcome-based adjustments which we apply between the first time ES is estimated and the second time ES is estimated. We also report the unadjusted effect size to show the effect sizes before any adjustments have been made. More details about these adjustments can be found in our [Technical Documentation](#).

Citations Used in the Meta-Analysis

- Carroll, K.M., Nich, C., Lapaglia, D.M., Peters, E.N., Easton, C.J., & Petry, N.M. (2012). Combining cognitive behavioral therapy and contingency management to enhance their effects in treating cannabis dependence: less can be more, more or less. *Addiction*, 107(9), 1650-1659.
- Litt, M.D., Kadden, R.M., Kabela-Cormier, E., & Petry, N.M. (2008). Coping skills training and contingency management treatments for marijuana dependence: exploring mechanisms of behavior change. *Addiction*, 103(4), 638-648.

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